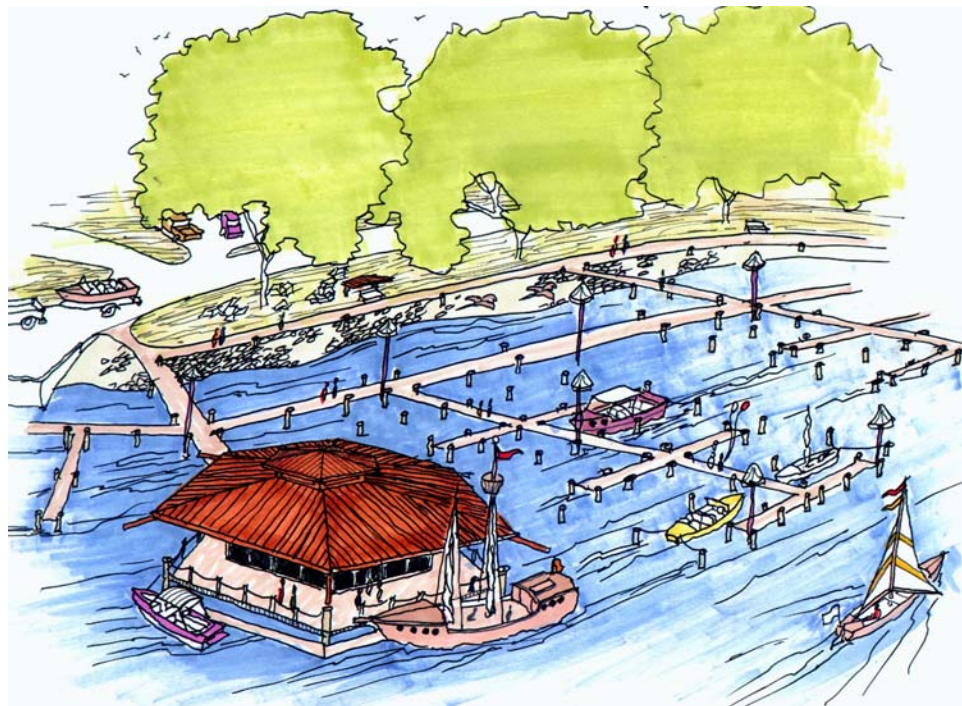


# **2011 Update of a FEASIBILITY STUDY for the PHILPOTT LAKE MARINA DEVELOPMENT PROJECT**

**Prepared for:**

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**Draft Report  
Presented to BOS**

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## **I. INTRODUCTION**

This feasibility study has been prepared by The Lane Group, Inc., for the Henry County Board of Supervisors. This study updates the January 25, 2005 study for Henry County Board of Supervisors by J.A. Gibson & Associates, P.C. and Lane Engineering, Inc. The focus of this study is to revise the above study, in order to match the Owner's current needs.

The focus of this revised study is development of the existing government boat launch area at the site of Philpott Park. This site is currently being operated by the U.S. Army Corps of Engineers as a group camp area. This revised study is just for the Marina Facility and access to this area from the existing group camping and bathhouse access, which is to the northeast of the boat launch area.

### **EXECUTIVE SUMMARY:**

The specific need for a marina and supporting structure is both desired and recommended by the U.S. Corps of Engineers at this site. Currently, there is no marina structure or fuel facility located on Philpott Lake. This study concludes that the development is feasible within a short timeframe from capital funding.

## II. DEVELOPMENT

### DESCRIPTION OF FACILITIES:

The focus of the study is the development of the Marina and parking areas adjacent to the marina. The following items are proposed:

- A new Marina Facility to include gas sales, bait and tackle structure, fueling slip and gangway access. An above ground 5,000 gallon fuel tank will be located adjacent to the Marina Facility for fuel service. The existing concrete boat ramp will be renovated and repaired as well as enlarging and paving the existing turn-around area. Security lighting will be included.
- New Wet Boat slips that include 40 uncovered slips total. Development of the slips will be along a cove near the existing launch ramp to avoid wake and wave activity at the slips from the main lake. Planning will allow for covering these slips in the future.
- Paved parking areas are planned for thirty (30) vehicular spaces, and twelve (12) extended paved parking spaces for truck and trailer parking near the Marina. Security lighting for all parking, and spaces dedicated to those occupying boat slips and using the Marina are planned.
- Utilities installed include:
  - An estimated 200 linear feet of 1 ½" forced main waterline to the Marina floating dock and 140 linear feet of 6" gravity sewer line.
  - A duplex grinder pump sewage system with precast manhole cover large enough for the future pump station wet well, estimated at 8' diameter.
- Existing facilities that will remain include the day use boat ramp and access road, both of which will see improvement in this project.

PHILPOTT LAKE MARINA DEVELOPMENT PROJECT					
HENRY COUNTY, VIRGINIA					
PROJECT CONSTRUCTION COST ESTIMATE					
	Line Item				Total Cost
	Repair Existing Concrete Boat Ramp (50 l.f.)				\$9,000
	Enlarge and Pave Existing Boat Ramp Turn-Around (75' dia)				\$24,872
	Concessions/Restrooms, with gas tank (13' x 42' + pad)				\$37,000
	New Grinder Pump Station				\$57,134
	New Paved turnout Areas				\$13,023
	New Paving, base @ Car Parking Area (8,775 s.f.)				\$32,000
	Grading at Marina Parking Area				\$67,285
	New Marine Fuel remote Dispensing System				\$12,000
	New Marina Floating Wet Slip System: 6' wide Gangways with 40 Uncovered Boat Slips				\$208,000
	Lighting				\$21,000
	New top coat on existing Access Road				\$44,857
	Widen Existing Access Road				\$83,612
	<b>SUBTOTAL</b>				\$609,783
	15% Contingency				91,647
	<b>TOTAL</b>				\$701,250
	Administrative 'soft' costs				
	Legal Fees, Design Fees, Insurance and other Misc. Costs (10%)				\$70,125
	<b>PROJECT COST TOTAL</b>				\$771,375

## OPERATIONAL COSTS:

The operational costs associated with the development of Philpott Park Marina primarily includes staffing of the facility and utility costs associated with the operation of the Marina structure. The following estimates are provided and these figures are incorporated into the determination of estimated project payback. Figures are adjusted for Peak Season of operation being June through August (3 months) and average operation from September through May (9 months).

### **Operational Costs**

Employees:	Full Time Manager + Fringe	\$	32,074
	Part-time; March thru August	\$	11,400
	Part-time; May thru November (1040 hrs x \$10.96/hr)	\$	11,400
Utilities:	<u>Pump Sewage</u> (electrical costs)	\$	6,000
	Peak Season: (3 months)		
	12 weeks @ \$200	\$2,400	
	Off-Peak: (9 months)		
	Bi-monthly 18 @ \$200	\$3,600	
	Water/Sewer (\$39x2x12)	\$	936
	<u>Electrical</u>		
	Concessions	\$	1,650
	Peak (monthly) 3 @ \$250	\$ 750	
	Average (monthly) 9 @ \$100	\$ 900	
	Site Lighting: 12 months @ \$240/mo.	\$	2,880
	Boat Power: 12 months @ \$100/mo.	\$	1,200
Miscellaneous Maintenance/Phone @ Concession:			
	12 months @ \$500/month	\$	6,000
	Insurance – 2%	\$	1,471
<b>ESTIMATED TOTAL YEARLY COST:</b>		<b>\$</b>	<b>75,011</b>
<b>ESTIMATED TOTAL MONTHLY COST:</b>		<b>\$</b>	<b>6,251</b>

## PROJECTED INCOME:

Figures for the projected income for the Development is based on information gathered during this analysis from similar facilities operating in an approximate 150 mile radius of Philpott Lake.

### **Projected Income**

#### **Existing Group Campground:**

4 – 6 sites

Five (5) months rental every weekend, 5 sites

3 days/wk. @ \$75.00/day x 20 wks. \$ 22,500

#### **Marina Facility Concessions:**

Bait, Tackle & Fuel

\$50,200 (60%) = \$ 30,120

(Note: Figure adjusted for cost of supplies)

Boat Slips: \$ 48,000

40 uncovered @ \$100/mo. X 12

**ESTIMATED TOTAL YEARLY INCOME: \$ 100,620**

**ESTIMATED TOTAL MONTHLY INCOME: \$ 8,385**

## OPERATIONAL COST VS. INCOME SUMMARY:

The following summarizes the feasibility and development potential for each phase.

OPERATIONAL COSTS		PROJECTED INCOME		ESTIMATED PROJECT COST
Yearly	Monthly	Yearly	Monthly	
\$ 75,011	\$ 6,251	\$ 100,620	\$ 8,385	\$ 771,375

In this analysis, the length of any payback as compared to the projected construction cost for the development concludes that the project is feasible if paid for with capital funds. Costs indicated include those associated with Architectural/Engineering Fees, Legal Fees, Insurance, all Administrative Costs and other miscellaneous costs and are therefore considered total anticipated costs.

In conclusion, it appears that this development project is feasible for the County to pursue. Based on preliminary project costs and anticipated revenues and operational costs, the overall payback for the project would be over an extended period of time. As with any feasibility study, the information presented is based on market research, current costs projected into the near future and potential revenue sources. Modifications in any of these variables will affect the overall performance of the project financially. Henry County should assess the risk associated with development prior to the start of design and construction.

## COMMUNITY IMPACT:

The development of Philpott Lake Marina has potential to create a unique and wonderful environment for recreational activities, especially those associated with Philpott Lake. In addition to the tourism dollars that will be generated in Henry County, the County could potentially benefit with increased revenues in Personal Property Taxes due to the added amenities.



**Other potential unquantified income includes:**

- Personal property taxes on boats stored and kept at the marina (if declared in Henry County) would add to the counties personal property taxes, based on their assessed value. The County would retain the tax on these revenues.
- Increased sales tax on the Marina Concessions, not factored above. Merchandise sales tax retained locally in Henry County is 1% of the total.
- Henry County would retain 4% of the prepared food tax collected.

### III. FUNDING OPPORTUNITIES

- Appalachian Regional Commission (ARC)
  - <http://www.arc.gov/>
- Virginia Tobacco Indemnification and Community Revitalization Commission
  - <http://www.tic.virginia.gov/>
- Harvest Foundation of the Piedmont
  - <http://www.theharvestfoundation.org/index.cfm>